



Guideline

Motor Fuel Tax Tribal Agreements

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Tax Commissioner

Tax Rates

North Dakota motor fuel taxes apply to all consumer sales. The tax rate for both motor vehicle fuel and special fuel used in a licensed vehicle is \$.23 per gallon. Special fuel (dyed) used in equipment for agricultural or industrial purposes is taxed at \$.04 per gallon. **As of January 1, 2008, special fuel (dyed) used for heating fuel is \$.02 per gallon. Beginning July 1, 2009, special fuel (dyed) used for heating fuel will be tax-free.**

Tribal tax applies to all retail sales on the reservations. The tax rate for both motor vehicle fuel and special fuel used in a licensed vehicle is \$.23 per gallon. Dyed fuel is not subject to Tribal tax.

Motor Vehicle Fuel

(Including but not limited to gasoline, gasohol, and E85)

1. A bulk sale to a Native American enrolled on the reservation of delivery.

- a. The North Dakota motor vehicle fuel tax does not apply.
- b. Tribal motor vehicle fuel tax applies when the fuel is used in a licensed vehicle.
- c. Tribal motor vehicle fuel tax does not apply when the fuel is used in non-licensed equipment for an agricultural or industrial purpose.

The enrolled Native American consumer may obtain a refund of tax charged in error, or the tax on fuel used for agricultural or industrial purposes.

2. A bulk sale to the Tribal Government for use in tribally owned vehicles, licensed or non-licensed.

- a. The North Dakota motor vehicle fuel tax does not apply.
- b. The Tribal motor vehicle fuel tax does not apply.

The Tribal Government may obtain a refund of tax charged in error.

3. A bulk sale on the reservation to a Native American that is not enrolled on the reservation of delivery, or a non-Native American consumer.

- a. The North Dakota motor vehicle fuel tax applies.
- b. The Tribal motor vehicle fuel tax does not apply.

The consumer may obtain a refund of the state tax used in non-licensed equipment for industrial or agricultural purposes.

Special Fuels

(Including but not limited to dyed and undyed diesel and kerosene)

1. A bulk sale of undyed fuel to a Native American enrolled on the reservation of delivery.

- a. The North Dakota special fuel tax does not apply.
- b. The Tribal special fuel tax applies when the fuel is used in a licensed vehicle.
- c. The Tribal special fuel tax does not apply when the fuel is used in non-licensed equipment for an agricultural or industrial purpose or as heating fuel.

The enrolled Native American consumer may obtain a refund of tax charged in error, or the tax on fuel used for heating, agricultural, or industrial purposes.

2. A bulk sale of dyed fuel to a Native American enrolled on the reservation of delivery.

- a. The North Dakota special fuel tax does not apply.
- b. The Tribal special fuel tax does not apply.

The enrolled Native American consumer may obtain a refund of tax charged in error.

3. A bulk sale to the Tribal Government for use in tribally owned vehicles, licensed or non-licensed.

- a. The North Dakota special fuel tax does not apply.
- b. The Tribal special fuel tax does not apply.

The Tribal Government may obtain a refund of tax charged in error.

4. A bulk sale of undyed fuel to a Native American that is not enrolled on the reservation of delivery, or a non-Native American consumer.

- a. The North Dakota special fuel tax of \$.23 per gallon applies.
- b. The Tribal special fuel tax does not apply.

5. A bulk sale of dyed fuel to a Native American that is not enrolled on the reservation of delivery, or a non-Native American consumer.

- a. The North Dakota special fuel excise tax of \$.04 per gallon applies when used for industrial or agricultural purposes. As of January 1, 2008, special fuel (dyed) used for heating fuel is \$.02 per gallon. Beginning July 1, 2009, special fuel (dyed) used for heating fuel will be tax-free.
- b. The Tribal special fuel tax does not apply.